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## **OFFICE OF THE COUNTY AUDITOR INTEROFFICE MEMORANDUM**

TO: All Council Members  
FROM: Lauren M. Smelkinson, County Auditor  
DATE: May 13, 2014  
SUBJECT: Addendum to Council Meeting Notes

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Please find attached an addendum (FM-3) to the Council Meeting Notes issued May 8, 2014.

This item will be discussed at the May 13, 2014 work session for the May 22, 2014 Council meeting.

Attachment

cc: notes distribution list

FM-3 (Contract)

Council District(s) 1


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**Department of Permits, Approvals and Inspections**


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**Spring Grove Hamilton Building Site**


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The Administration is requesting approval of a transfer agreement to acquire property totaling 8.8 acres for \$1,320,000 to be used for the future development of a park. The State of Maryland (for the use of the Maryland Department of Health and Mental Hygiene (DHMH)) currently owns the property, which is part of the Spring Grove Hospital Center campus and is located on the east side of Maple Drive in Catonsville. The property is zoned O-T (Office and Technology). See Exhibit A.

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**Fiscal Summary**

<b>Funding Source</b>	<b>Purchase Price</b>	<b>Notes</b>
<b>County</b>	--	<sup>(1)</sup> Program Open Space funds.
<b>State</b>	\$ 1,320,000 <sup>(1)</sup>	
<b>Federal</b>	--	
<b>Other</b>	--	
<b>Total</b>	<u>\$ 1,320,000</u>	

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**Analysis**

Everett, Benfield LLC and Page Appraisal Company, Inc., consultant appraisers, completed appraisals for the property on August 29, 2013 and September 13, 2013, respectively, recommending values of \$2,200,000 and \$2,420,000, respectively. The Department advised that because the property to be acquired is State surplus property, the State performed the review of the appraisals. After review and analysis, the State's review appraiser recommended a market value of the property of \$2,510,000, and after adjusting for the County's estimated demolition costs of \$1,190,000, the State agreed to a purchase price of \$1,320,000.

The 8.8-acre property to be acquired is part of a 196.1-acre parcel that is improved with a 73,000 sq. ft. single-story hospital building that is no longer in use. As part of the proposed transfer agreement, the County is entering into a Memorandum of Understanding with DHMH in which the County agrees to demolish all existing improvements on the site, use the property for recreational fields, and ensure adequate parking for the site. These requirements will also be added as a restrictive covenant to the deed of conveyance.

The Department advised that this is the only acquisition planned for this project. The Department further advised that plans for the park to be developed on this property are still in the beginning stages, and therefore estimated project costs are not yet available. As of May 5, 2014, \$7,650 has been expended/encumbered for this project, excluding the cost of this acquisition.

This transfer agreement is contingent upon the approval of the Maryland Board of Public Works, and is included on the agenda for the Board's May 28, 2014 meeting.

County Charter, Section 715, requires Council approval of real property acquisitions where the purchase price exceeds \$5,000.

### EXECUTIVE SUMMARY

PROGRAM TITLE: Spring Grove (R-495)

PROJECT NO.: 212-0601-0487

FISCAL MATTER: Transfer Agreement

PROPERTY OWNERS: State of Maryland, Department of Health  
And Mental Hygiene

PROPERTY INTEREST TO  
BE ACQUIRED: Spring Grove Hamilton Building Site

LOCATION: E/S Maple <sup>Drive</sup> ~~Avenue~~  
Catonsville, Maryland 21228

CONSIDERATION: \$1,320,000.00

PURPOSE OF PROJECT: This contract is for the purchase of a parcel of approximately 8.8 acres, known as Parcel K, a portion of the State of Maryland's Spring Grove Hospital campus. The County will develop the parcel as a park. The proposed purchase price is \$1,320,000, reflecting an appraised value of \$2,510,000, less demolition costs at an estimated \$1,190,000. Program Open Space acquisition funds will be applied to reimburse the full purchase price. Two outside consultant appraisals were obtained, pursuant to Program Open Space policy. Two demolition estimates were also obtained. Because this is a State surplus property, the State did the review of the appraisals. The State Department of General Services, as the business agency responsible for the State surplus process, Department of Health and Mental Hygiene, as user of the Spring Grove campus, and Department of Natural Resources, as administrator of Program Open Space, agreed to the process and the formula for determining the purchase price. The parcel was reviewed and approved through the State clearinghouse process, and the contract is set to be considered on May 28, 2014 Board of Public Works agenda.

LIMITS OF PROJECT: To clear, grade and improve in the future. Plans are still in the beginning stages.

Prepared By: Department of Permits, Approvals &  
Inspections